

## Message Text

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ORIGIN ERDA-07

INFO OCT-01 NEA-10 ISO-00 OES-07 AID-05 IO-14 ACDA-10  
NRC-07 L-03 CIAE-00 INR-07 NSAE-00 /071 R

DRAFTED BY ERDA:WNEUSTADT  
APPROVED BY NEA/INS:DKUX  
OES:CSIEGAL

-----060205 150033Z /62

P 142327Z JUL 77

FM SECSTATE WASHDC  
TO AMCONSUL BOMBAY PRIORITY  
INFO AMEMBASSY NEW DELHI PRIORITY

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E.O. 11652: N/A

TAGS: TECH, IN

SUBJECT: TARAPUR FUEL STORAGE

REF: (A) BOMBAY 1564; (B) BOMBAY 1629; (C) BOMBAY 1632

1. THE INDIAN SCIENCE COUNSELOR ANANDA KRISHNAN WAS BRIEFED AT LENGTH JULY 13 ON U.S. INTENTIONS IN THE PROVISION OF ASSISTANCE TO THE IAEC WITH REGARD TO THE TARAPUR SPENT FUEL STORAGE SITUATION. HE WAS ADVISED THAT THE U.S. DID NOT INTEND THAT THE STUDY RESULT IN A DETAILED DESIGN FROM WHICH THE IAEC OR ITS CONTRACTORS COULD FABRICATE AND INSTALL HIGH DENSITY STORAGE RACKS IN THE TARAPUR STORAGE POOL. RATHER, THE U.S. STUDY WOULD DETERMINE THE FEASIBILITY OF SUCH AN INSTALLATION AND IF IT FOUND FEASIBLE THE STUDY COULD BE USED AS A BASIS FOR THE PREPARATION OF A REQUEST FOR PROPOSALS FOR DESIGN, FABRICATION AND CONSTRUCTION. DR. KRISHNAN WAS ADVISED THAT THE AEC WOULD NOT BE LOCKED INTO G.E. AS THE CONTRACTOR AS A RESULT OF THE  
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STUDY. ALSO THE STUDY COULD BE CONDUCTED IN TWO PHASES WITH THE FIRST PHASE ESSENTIALLY FREE OF PROPRIETORY INFORMATION. THE STUDY OF COURSE COULD BE TERMINATED AT THE END OF PHASE ONE DEPENDING ON FEASIBILITY AND DISCRETION OF GOI.

2. RE REFTEL A, PARA 5, USG AGREES TO DAE PROPOSED CHANGE.

3. USG AGREES THAT OTHERS CAN PERFORM THE STUDY (BESIDES GE) BUT BELIEVES THE TWO CANDIDATE GE ENGINEERS, ED GRIMM AND WALTER GRAF, ARE THE BEST AVAILABLE BECAUSE OF THEIR PRIOR PERSONAL EXPERIENCE WITH TARAPUR AND THEIR EXPERIENCE IN THE EVALUATION AND DESIGN OF HIGH DENSITY STORAGE RACKS.

4. IT IS ALSO OUR VIEW THAT EMPLOYING GE (TO INCLUDE USE OF THEIR PROPRIETARY DATA) WOULD NOT "LOCK IN" THE GOI TO GE FOR THE FIX EXCEPT TO THE EXTENT THAT GOI WOULD CHOOSE TO USE SUCH DATA AS PART OF THE MODIFICATION TO ACHIEVE EXPANDED POOL CAPACITY. ERDA ANTICIPATES THAT SEVERAL ALTERNATIVES WILL BE SUGGESTED TO THE GOI SUBSEQUENT TO THE COMPLETION OF THE GE WORK, ONE OF WHICH MAY BE AN OPTION WHICH INCLUDES GE PROPRIETARY DATA. GOI COULD THEN ELECT OPTION WHICH INVOLVED GE PROPRIETARY DATA IF IT SO CHOSE. ONLY IF THE GE PROPRIETARY OPTION IS CHOSEN WOULD GOI THEN BE REQUIRED TO NEGOTIATE A LICENSE WITH GE. HAVING SUCH A LICENSE, THE STORAGE CAPACITY EXPANSION COULD THEN BE PROCURED ON A COMPETITIVE BASIS. THEREFORE, WE FEEL CLAUSE 8E CAN REASONABLY BE ACCEPTED BY GOI AS IS. USG DOES NOT BELIEVE THE CHANGE FROM "OF" TO "FOR" IS IN KEEPING WITH THE INTENT OF THIS AGREEMENT. IT IS ESSENTIAL THAT THE GOI UNDERSTAND THAT ERDA IS NOT PROVIDING A DESIGN BUT MERELY A FEASIBILITY STUDY.

5. REFTTEL B REQUESTS USG PROVIDE DETAILS AS TO KINDS OR UNCLASSIFIED

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NATURE OF PROPRIETARY DATA. WE HAVE UNDERTAKEN TO ACQUIRE THIS FROM GE AND EXPECT A RESPONSE BY COB 7/15/77. WE CAN SPECULATE THAT IT WILL INCLUDE HIGH DENSITY RACKS, FLOOR STRUCTURE, GRID CONFIGURATION, AND TUBES FOR SUBASSEMBLIES. MOREOVER YOU SHOULD BE AWARE THAT THE AMOUNT OF SUCH DATA IS A VARIABLE DEPENDING IN PART ON WHAT THE ACTUAL CONDITIONS AT TARAPUR ARE DETERMINED TO BE AND IN PART ON THE PRECISE NATURE OF THE SUBSEQUENT WORK TO BE IMPLEMENTED.

6. IN REGARD TO QUESTION B OF REFTTEL B, THE COST OF GE PROPRIETARY DATA IS UNKNOWN BUT WILL CERTAINLY VARY DEPENDING ON THE USE TO WHICH IT IS APPLIED AND THE AMOUNT OF DATA NEEDED. WE ARE TRYING TO LEARN FROM GE WHAT THE TOTAL COST WILL BE. IN ANY CASE, THE GREATEST "COST" IS NOT LIKELY TO BE DOLLARS BUT RATHER WILL BE A DEMAND BY GE FOR EXPANDED AND/OR MORE PRECISE INDEMNITY ASSURANCE (AS DEFINED BY GE). IF GE PROPRIETARY DATA IS TO BE USED IN CONNECTION WITH A FIX AND NOT JUST WITH A FEASIBILITY STUDY, THEN WE ARE ADVISED THAT GE WILL REQUIRE ADDITIONAL PROTECTION BEYOND THAT NOW CONTAINED IN CLAUSE 9 AND THE "OPINION" RECENTLY PROVIDED BY THE GOI.

7. REFTTEL B NOTED A POSSIBLE PROBLEM IN PARA. 3 RE

PATENTING OR PROPRIETARY DATA. WE DO NOT UNDERSTAND THIS CONCERN; IT MAY ENTAIL TECHNICAL INDIAN PATENT LAW QUESTION. PLEASE INVESTIGATE AND ELABORATE ON PRECISELY WHAT THE POSSIBLE PROBLEM MIGHT BE.

8. WE ARE ATTEMPTING TO SECURE THE ADDITIONAL INFORMATION REQUESTED AS RAPIDLY AS POSSIBLE AS PER REFTTEL C, HOWEVER, GE CANNOT RESPOND PRIOR TO 7/15/77. WE EXPECT TO PROVIDE ADDITIONAL DETAILS ON THAT DATE. YOU SHOULD PROCEED TO NOTIFY SHAH/SETHNA THAT WE CANNOT ACCEPT THEIR MODIFICATIONS TO 8E BECAUSE OF RELATED INDEMNITY PROBLEMS PERCEIVED BY GE WHICH RESULT FROM THAT MODIFICATION.  
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9. HAVE SHAH/SETHNA PROVIDED AN OPINION AS TO THE ACCEPTABILITY OF PROPOSED WORK STATEMENT? ERDA REITERATES ITS POSITION THAT IT CANNOT EXCEED THAT SCOPE OF WORK.

10. WE HAVE NOT YET HEARD DEFINITELY FROM GE ON ADEQUACY OF LEGAL OPINION. VANCE

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**TAGS:** TECH, IN  
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**Type:** TE  
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**Review Markings:**  
Margaret P. Grafeld  
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22 May 2009  
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